



7 January 2011

**Philippine Stock Exchange, Inc.
PSE Center, One Exchange Road
Ortigas Center, Pasig City**

Attention: Ms. Janet Encarnacion
Head, Disclosure Department

Gentlemen:

In accordance with the Revised Disclosure Rules, we are furnishing the Exchange with a copy of a press release issued by the Company today entitled: "PhilWeb sets new high for Net Income".

We hope you will find everything in order.

Very truly yours,

A handwritten signature in black ink, appearing to read "Cliburn Anthony A. Orbe". The signature is stylized and includes a long horizontal flourish at the end.

Cliburn Anthony A. Orbe
Corporate Information Officer



PhilWeb sets new high for Net Income

For immediate release 7 January 2011

Ref: Cliburn Anthony A. Orbe, PhilWeb VP-Corporate Affairs, tel 338 5599, e-mail caorbe@philweb.com.ph and Apa Ongpin, PhilWeb Corp SVP-Marketing, e-mail rgongpin@philweb.com.ph

PhilWeb Corporation, the country's first and largest listed online technology firm, disclosed that its unaudited Net Income for 2010 was a total of P708 million, a record for the company. The amount is 28% higher than the P551 million achieved for 2009. For the first time ever, Revenues were over a billion pesos, totaling P1.04 billion, a 27% increase vs. previous year.

PhilWeb president Dennis Valdes said, "We are particularly pleased with our 2010 financial results, even though we only opened 19 new PEGS cafes all year. On the plus side, we have a new contract with PAGCOR that allows us to open a minimum of 100 new PEGS each year. As a result, we expect our PEGS business in 2011 and beyond to grow even more substantially than it has in previous years. Our new contract is valid until July 2016."

Valdes also disclosed that the company remitted a total of P1.3 billion to PAGCOR for 2010, representing PAGCOR's share of the PEGS business. He noted that the PAGCOR share for these businesses come with no capital expenditures or operating expenses on their part. Thus the total remittance flows directly to their bottom line.

Valdes noted that the prospects for PhilWeb in 2011 are extremely bright, especially on the international front. PhilWeb previously disclosed that it had received a license from the Cambodia Ministry of Finance to operate a 6/49 lottery in that country. The license allows PhilWeb to launch both paper-based and mobile-based forms of the lottery.

"The Cambodia license will be a game changer for PhilWeb. Our international expansion strategy has begun to take root, and we expect that the other licenses we are working on, in countries such as Laos, Guam, Vietnam, Saipan, Palau, Papua New Guinea, East Timor, Nepal and others, will soon come to fruition," explained Valdes.